



Sean Rogan
Executive Director

**HOUSING AUTHORITY
of the County of Los Angeles**

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ADOPTED

BOARD OF COMMISSIONERS
HOUSING AUTHORITY

May 24, 2011

The Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

#2-H MAY 24, 2011

SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Commissioners:

**APPROVE THE LIMITED USE OF MUTUAL INDEMNIFICATION BETWEEN THE HOUSING
AUTHORITY AND OTHER ENTITIES
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

This letter recommends approval of the limited use of mutual indemnification between the Housing Authority and other public entities, public utilities, and non-profit organizations providing services at minimal or no cost to the Housing Authority. This letter relates to an item on the agenda of the Board of Commissioners of the Community Development Commission.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the limited use of mutual indemnification, as described herein, between the Housing Authority and other public entities, public utilities, and non-profit organizations providing services at minimal or no cost to the Housing Authority, subject to review and approval by the Housing Authority's Risk Manager and approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to provide flexibility to the Housing Authority when entering into agreements with service providers (Entities) where those Entities agree to provide services to the Housing Authority or to participants of Housing Authority programs, often without compensation or at minimal cost. Further, several Entities have been unwilling to enter into agreements unless they are indemnified by the Housing Authority for its acts and omissions. As a result, many services have been lost for low-income and disabled persons the Housing Authority serves.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Housing Authority's Risk Management unit will be responsible for reviewing and approving any and all requests for mutual indemnification. Approval is subject to review and approval by the Housing Authority's Risk Management unit and approval as to form by County Counsel.

The following language will be included in agreements between the Housing Authority and the Entities, but may be modified, subject to review and approval by the Housing Authority's Risk Management unit and approval as to form by County Counsel:

"The [Entity] shall indemnify, defend, and hold harmless the Housing Authority of the County of Los Angeles (Housing Authority), the Community Development Commission of the County of Los Angeles, and their officials, officers, employees, and agents (hereinafter collectively "Public Entities") from and against any and all liability, demands, damages, claims, causes of action, fees, and expenses (including reasonable attorneys' fees, expert witness fees, and legal costs) including, but not limited to, claims for bodily injury, property damage, and death (hereinafter collectively referred to as "liabilities") arising from or connected with [the Entity's] acts, errors, and/or omissions under this contract or the services to be provided by [the Entity] hereunder. [The Entity] shall not be required to indemnify, defend, and hold harmless the Public Entities from any liabilities that are caused by the sole negligence or willful misconduct of the Housing Authority or its officials, officers, employees, or agents."

"The Housing Authority of the County of Los Angeles shall indemnify, defend, and hold harmless the [Entity] and its officials, officers, employees, and agents from and against any and all liability, demands, damages, claims, causes of action, fees, and expenses (including reasonable attorneys' fees, expert witness fees, and legal costs) including, but not limited to, claims for bodily injury, property damage, and death (hereinafter collectively referred to as "liabilities") arising from or connected with the Housing Authority's acts, errors, and/or omissions under this contract or the services to be provided by the Housing Authority hereunder. The Housing Authority shall not be required to indemnify, defend, and hold harmless the [Entity] or its officials, officers, employees, or agents from any liabilities that are caused by the sole negligence or willful misconduct of [Entity] or its officials, officers, employees, or agents."

At its meeting of April 27, 2011, the Housing Commission recommended approval of the proposed limited use of mutual indemnification.

ENVIRONMENTAL DOCUMENTATION

The use of mutual indemnification clauses in contracts is exempt from the provisions of the National Environmental Policy Act, pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34(a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. The action is not subject to the provisions of CEQA pursuant to state CEQA guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed mutual indemnification will allow for greater collaboration and working relations with other Entities, thereby increasing resources and services to the Housing Authority and participants of its programs.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN
Executive Director

SR:jl